

**Department of Environmental Conservation
FY26 Midyear Status Report**

Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
1	Air Quality/ Air Quality	Federal Receipt Authority for Grant Funding to Homeowners in the Fairbanks PM2.5 Nonattainment Area	N/A	The Governor vetoed \$1 million of additional federal receipt authority and the Department indicated that it had sufficient existing federal authority to cover any federal funding. How much existing federal receipt authority has the Department used at this point and how much federal funding does the Department anticipate for this purpose in FY26? What is the status of the states SIP for Fairbanks PM2.5 Nonattainment Area?

Agency Response

No funds were necessary to cover energy audit costs as this measure was removed before becoming effective.

The State received full approval of the State Implementation Plan (SIP) on November 18, 2025. With full approval secured, the freeze on transportation project funding has been lifted. Initially, the Environmental Protection Agency (EPA) had required energy audits as a condition for full approval. However, following the comment period and significant feedback from Alaskans opposing this requirement, the EPA informed the State that the measure was no longer necessary. The State acted quickly to repeal the energy audit provision, returning to the original position of not including it.